

RECEIVED  
LEGISLATIVE COUNCIL  
00 DEC -4 AM 9:13

**Housing Authority of the City of Minden  
Minden, Louisiana**

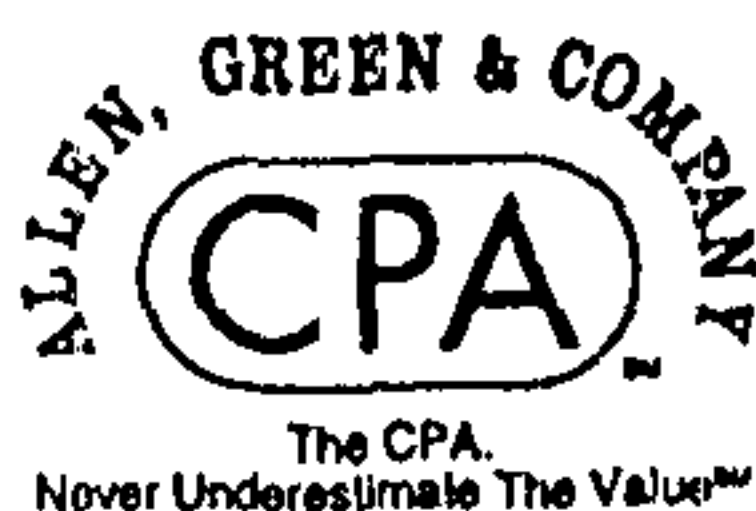
**Annual Financial Report  
As of and for the Year Ended June 30, 2000**

Under provisions of state law, this report is a public document. A copy of this report is submitted to the entity and to the legislative council. The report is available for public inspection at the Baton Rouge office of the Legislative Council, where appropriate, at the office of the parish clerk of court.

Release Date DEC 13 2000

**Housing Authority of the City of Minden  
Table of Contents**

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1-2
GENERAL-PURPOSE FINANCIAL STATEMENTS		
ALL FUND TYPES		
Combined Balance Sheet	A	3-4
ENTERPRISE FUNDS		
Combined Statement of Revenues, Expenses, and Changes in Fund Equity	B	5-6
Combined Statement of Cash Flows	C	7-8
Notes to the General-Purpose Financial Statements		
Index		9
Notes		10-15
SUPPLEMENTAL INFORMATION		
Financial Data Schedule		16-20
Compensation Paid Board Members		21
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-133</u>		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		22
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular No. A-133</u>		23-24
Schedule of Expenditures of Federal Awards		25
Notes to the Schedule of Expenditures of Federal Awards		26
Schedule of Findings and Questioned Costs		27
OTHER INFORMATION		
Schedule of Prior-Year Findings and Questioned Costs		28



# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street  
Monroe, LA 71201

Phone: (318) 388-4422  
Fax: (318) 388-4664

Toll-free: (888) 741-0205  
[www.allengreencpa.com](http://www.allengreencpa.com)

Tim Green, CPA  
Margie Williamson, CPA

Sylvia R. Fallin, CPA  
Sharon K. French, CPA  
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)  
1963 - 2000

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of Minden  
Minden, Louisiana

We have audited the accompanying GENERAL-PURPOSE FINANCIAL STATEMENTS of the Housing Authority of the City of Minden, Minden, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of June 30, 2000, the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 10 to the financial statements, the Housing Authority changed the accounting treatment of all funds from governmental funds to enterprise funds.

In accordance with Government Auditing Standards, we have also issued a report dated September 14, 2000, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Housing Authority taken as a whole. The accompanying SUPPLEMENTAL INFORMATION, as listed in the table of contents and the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular No. 133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also, the accompanying OTHER INFORMATION, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 14, 2000

# HOUSING AUTHORITY OF THE CITY OF MINDEN

## Combined Balance Sheet - All Fund Types June 30, 2000

### Statement A

	PROPRIETARY FUNDS - ENTERPRISE FUNDS -	FIDUCIARY FUNDS - AGENCY FUNDS -	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 279,757	\$ 8,588	\$ 288,345
Investments	289,231	0	289,231
Accounts receivable	80,166	0	80,166
Interest receivable	4,571	0	4,571
Interfund receivable	41,937	0	41,937
Prepaid items and other assets	31,725	0	31,725
Inventory	5,425	0	5,425
<b>Total Current Assets</b>	<b>732,812</b>	<b>8,588</b>	<b>741,400</b>
<b>Restricted Assets</b>			
Tenant deposits	21,600	0	21,600
<b>Fixed Assets</b>			
Land, buildings, and equipment (net)	3,940,646	0	3,940,646
<b>TOTAL ASSETS</b>	<b>\$ 4,695,058</b>	<b>\$ 8,588</b>	<b>\$ 4,703,646</b>

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF MINDEN**

**Combined Balance Sheet - All Fund Types  
June 30, 2000**

**Statement A**

	PROPRIETARY FUNDS - ENTERPRISE FUNDS -	FIDUCIARY FUNDS - AGENCY FUNDS -	TOTAL (MEMORANDUM ONLY)
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 136,571	\$ 0	\$ 136,571
Interfund payable	41,937	0	41,937
Deferred revenue	<u>43,413</u>	<u>0</u>	<u>43,413</u>
<b>Total Current Liabilities</b>	<u>221,921</u>	<u>0</u>	<u>221,921</u>
<b>Current Liabilities Payable From Current Restricted Assets</b>			
Deposits due others	<u>21,425</u>	<u>8,588</u>	<u>30,013</u>
<b>Total Current Liabilities Payable From Current Restricted Assets</b>	<u>21,425</u>	<u>8,588</u>	<u>30,013</u>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	<u>24,297</u>	<u>0</u>	<u>24,297</u>
<b>Total Noncurrent Liabilities</b>	<u>24,297</u>	<u>0</u>	<u>24,297</u>
<b>Total Liabilities</b>	<u>267,643</u>	<u>8,588</u>	<u>276,231</u>
<b>Fund Equity</b>			
Contributed Capital	3,894,833	0	3,894,833
Retained earnings: Unreserved	<u>532,582</u>	<u>0</u>	<u>532,582</u>
<b>Total Fund Equity</b>	<u>4,427,415</u>	<u>0</u>	<u>4,427,415</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 4,695,058</u>	<u>\$ 8,588</u>	<u>\$ 4,703,646</u>

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

# HOUSING AUTHORITY OF THE CITY OF MINDEN

## ENTERPRISE FUNDS Combined Statement of Revenues, Expenses, and Changes in Fund Equity For the Year Ended June 30, 2000

### Statement B

#### OPERATING REVENUES

Dwelling rental	\$ 234,537
Other	<u>37,425</u>
Total revenues	<u>271,962</u>

#### OPERATING EXPENSES

Administration	188,510
Tenant services	25,528
Utilities	42,767
Ordinary maintenance & operations	183,603
Protective services	0
General expenses	118,437
Housing assistance payments	411,172
Nonroutine maintenance	1,556
Depreciation and amortization	<u>337,260</u>
Total operating expenses	<u>1,308,833</u>

Income (loss) from Operations	<u>(1,036,871)</u>
-------------------------------	--------------------

#### NONOPERATING REVENUES (EXPENSES)

Interest earnings	18,704
Federal grants	762,445
Gain or loss on disposition of fixed assets	0
Interest and bank charges	<u>0</u>
Total nonoperating revenues (expenses)	<u>781,149</u>

Net income before operating transfers	(255,722)
---------------------------------------	-----------

#### TRANSFERS FROM/(TO) OTHER FUNDS

Transfer in	163,511
Transfer out	<u>(163,511)</u>

NET INCOME (Loss)	(255,722)
-------------------	-----------

Depreciation on fixed assets acquired by contributions	337,260
Gain or loss on disposition of fixed assets	<u>0</u>

Increase (decrease) in retained earnings	<u>\$ 81,538</u>
--	------------------

(CONTINUED)



HOUSING AUTHORITY OF THE CITY OF MINDEN

ENTERPRISE FUNDS  
Combined Statement of Revenues, Expenses,  
and Changes in Fund Equity  
For the Year Ended June 30, 2000

Statement B

FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 619,508
Cumulative effect of change in accounting principle	<u>(168,464)</u>
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED	<u>451,044</u>
RETAINED EARNINGS AT END OF YEAR	<u>532,582</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR AS ORIGINALLY STATED	0
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u>4,110,258</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR AS RESTATED	4,110,258
Capital Contributions	121,835
Depreciation transferred from retained earnings	(337,260)
Gain or loss on disposition of fixed assets transferred from retained earnings	<u>0</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>3,894,833</u>
FUND EQUITY, END OF YEAR	<u>\$ 4,427,415</u>

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**HOUSING AUTHORITY OF THE CITY OF MINDEN**

**ENTERPRISE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended June 30, 2000**

**Statement C**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income (loss)	\$ (1,036,871)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Depreciation	337,260
Changes in operating current assets and liabilities:	
(Increase) Decrease in interfund receivables	(29,498)
(Increase) Decrease in accounts receivables	(44,525)
(Increase) Decrease in interest receivables	(4,571)
(Increase) Decrease in prepaid items and and other assets	(1,379)
(Increase) Decrease in inventory	(5,425)
Increase (Decrease) in accounts payables	71,752
Increase (Decrease) in interfund payables	29,498
Increase (Decrease) in deposits due others	2,216
Increase (Decrease) in deferred revenue	<u>37,268</u>

**NET CASH PROVIDED (USED) BY  
OPERATING ACTIVITIES**

\$ (644,275)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Federal grants	\$ <u>762,445</u>
----------------	-------------------

**NET CASH PROVIDED (USED) BY NONCAPITAL  
FINANCING ACTIVITIES**

\$ 762,445

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Purchase fixed assets	\$ (167,648)
Increase in compensated absences	3,492
Contributed capital	<u>121,835</u>

**NET CASH PROVIDED (USED) BY CAPITAL  
AND RELATED FINANCING ACTIVITIES**

\$ (42,321)

(CONTINUED)

**HOUSING AUTHORITY OF THE CITY OF MINDEN**

**ENTERPRISE FUNDS  
Combined Statement of Cash Flows  
For the Year Ended June 30, 2000**

**Statement C**

**CASH FLOW FROM INVESTING ACTIVITIES:**

(Increase) Decrease in investments	\$ (13,504)
(Increase) Decrease in restricted assets	(375)
Interest earnings	<u>18,704</u>

**NET CASH PROVIDED (USED) BY INVESTING  
ACTIVITIES**

**\$ 4,825**

**NET INCREASE (DECREASE) IN CASH AND  
CASH EQUIVALENTS**

**\$ 80,674**

**CASH AND CASH EQUIVALENTS AT BEGINNING  
OF YEAR**

**199,083**

**CASH AND CASH EQUIVALENTS AT END  
OF YEAR**

**\$ 279,757**

**(CONCLUDED)**

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.**

**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

**INDEX**

	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	10
A. REPORTING ENTITY .....	10
B. FUNDS .....	10
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING .....	11
D. BUDGETS .....	11
General Budget Policies .....	11
Encumbrances .....	11
E. CASH AND CASH EQUIVALENTS .....	11
F. INVESTMENTS .....	11
G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES .....	12
H. INVENTORY AND PREPAID ITEMS .....	12
I. FIXED ASSETS .....	12
J. COMPENSATED ABSENCES .....	12
K. FUND EQUITY .....	12
L. USE OF ESTIMATES .....	12
M. MEMORANDUM ONLY - TOTAL COLUMNS .....	12
NOTE 2 - DEPOSITS AND INVESTMENTS .....	12
NOTE 3 - RECEIVABLES .....	13
NOTE 4 - FIXED ASSETS .....	13
NOTE 5 - RETIREMENT SYSTEM .....	13
NOTE 6 - ACCOUNTS PAYABLE .....	13
NOTE 7 - COMPENSATED ABSENCES .....	14
NOTE 8 - CHANGES IN AGENCY DEPOSITS DUE OTHERS .....	14
NOTE 9 - COMMITMENTS AND CONTINGENCIES .....	14
NOTE 10 - CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE .....	14
NOTE 11 - SEGMENT INFORMATION .....	15
NOTE 12 - RISK MANAGEMENT .....	15
NOTE 13 - INTERFUND TRANSACTIONS .....	15

**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority of the City of Minden (the Housing Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority of the City of Minden is governed by a five-member board of commissioners. The members, appointed by the Honorable Mayor of the City of Minden, serve a staggered term of five years.

The Housing Authority has the following units:

	<u># of Units</u>
PHA Owned Housing	247
Section 8 Rental Vouchers	138

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the City of Minden since the City appoints a voting majority of the Housing Authority's governing board. The City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Minden. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Minden.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Housing Authority are classified in two categories: proprietary and fiduciary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.



**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority. The Webster literacy grant fund is an agency fund which accounts for assets held by the Housing Authority as an agent.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

**D. BUDGETS**

**General Budget Policies** The Housing Authority adopted budgets for all funds. The budgets for the Comprehensive Improvement Assistance Programs are multiple-year budgets.

HUD approves all budgets for all HUD-funded programs. The budget is controlled by fund at the function level. Budgetary amendments require approval of the governing body.

All appropriations lapse at year-end.

**Encumbrances** Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Formal budget integration (within the accounting records) is employed as a management control device.

**E. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**F. INVESTMENTS** Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. INVENTORY AND PREPAID ITEMS** All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. FIXED ASSETS** Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	40 years
Office equipment (other than computers)	5 years
Computers	3 years
Automobiles and trucks	7 years

**J. COMPENSATED ABSENCES** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

**K. FUND EQUITY** Reservations represent those portions of fund equity that are not appropriable for expenses or legally segregated for a specific future use.

**L. USE OF ESTIMATES** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**M. MEMORANDUM ONLY - TOTAL COLUMNS** Total columns on the general-purpose financial statements are captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - DEPOSITS AND INVESTMENTS** At June 30, 2000, the Housing Authority has cash and cash equivalents (book balances) totaling \$288,345 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Housing Authority's carrying amount of deposits was \$599,176 including restricted deposits of \$21,600, and the bank balance was \$620,512. Of the bank balance, \$200,000 was covered by federal depository insurance. \$420,512 was

**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 - RECEIVABLES** The receivables of \$80,166, net of allowance for doubtful accounts of \$0, at June 30, 2000, are as follows:

<u>Class of Receivables</u>	<u>Total</u>
Tenants	\$ 2,560
Others	39
HUD	<u>77,567</u>
Total	<u>\$ 80,166</u>

**NOTE 4 - FIXED ASSETS** The changes and balances in fixed assets are as follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Land	\$ 95,960	\$ -	\$ -	\$ -	\$ 95,960
Site improvements	348,035	-	-	-	348,035
Buildings	9,746,862	-	(201,370)	702,383	8,843,109
Furniture and equipment	327,593	45,313	201,370	-	574,276
Construction in progress	-	122,335	-	-	122,335
Total	<u>10,518,450</u>	<u>167,648</u>	<u>-</u>	<u>702,383</u>	<u>9,983,715</u>
Less accumulated depreciation:					
Site improvements	346,870	259	-	-	347,129
Buildings	4,848,923	313,266	-	-	5,162,189
Furniture and equipment	<u>510,016</u>	<u>23,735</u>	<u>-</u>	<u>-</u>	<u>533,751</u>
Total	<u>5,705,809</u>	<u>337,260</u>	<u>-</u>	<u>-</u>	<u>6,043,069</u>
Fixed assets, net	<u>\$ 4,812,641</u>	<u>\$(169,612)</u>	<u>\$ -</u>	<u>\$702,383</u>	<u>\$3,940,646</u>

**NOTE 5 - RETIREMENT SYSTEM** The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to five percent of each participant's basic (excludes overtime) compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended June 30, 2000, was \$264,241. The Housing Authority's contributions were calculated using the base salary amount of \$239,973. Both the Housing Authority and the covered employees made the required contributions of \$11,999 for the year ended June 30, 2000.

**NOTE 6 - ACCOUNTS PAYABLE** The payables of \$136,571 at June 30, 2000, are as follows:

Vendors	\$ 41,567
---------	-----------



**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

Wages	2,562
Payable to HUD	75,505
Other	<u>16,937</u>
Total	<u>\$136,571</u>

**NOTE 7 - COMPENSATED ABSENCES** At June 30, 2000, employees of the Housing Authority have accumulated and vested \$24,297 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance, July 1, 1999	\$20,805
Additions	3,492
Deductions	<u>-</u>
Balance, June 30, 2000	<u>\$24,297</u>

**NOTE 8 - CHANGES IN AGENCY DEPOSITS DUE OTHERS** A summary of changes in the Webster Literacy Grant agency fund follows:

Balance at beginning of year	\$10,462
Additions	282
Deductions	<u>2,156</u>
Balance at end of year	<u>\$ 8,588</u>

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At June 30, 2000, the Housing Authority is involved in various litigation. In the opinion of legal counsel the potential loss on all claims will not materially affect the Housing Authority's financial position.

**Construction Projects** There are certain major construction projects in progress at June 30, 2000. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Grant Disallowances** The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**NOTE 10 - CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE** Prior to the current fiscal year, the Housing Authority's books were maintained on a HUD-prescribed basis of accounting. Journal entries were made at year-end to convert to generally accepted accounting principles (GAAP). The funds of the Housing Authority were reported as governmental funds in the audit report. For the current fiscal year, HUD required that the Housing Authority convert from the HUD-prescribed basis of accounting to GAAP with use of enterprise funds being preferred by HUD. The beginning fund balance was restated as follows:

Fund balance at beginning of year, as originally stated	\$ 619,508
Capital assets at July 1, 1999	10,518,450
Accumulated depreciation at July 1, 1999	( 5,705,809)
Write-off of soft costs for development	( 702,383)
Record beginning inventory	5,425
Write-off debt service account receivable	( 153,084)
Record beginning compensated absences	<u>( 20,805)</u>
Total equity, restated	<u>\$ 4,561,302</u>

**Housing Authority of the City of Minden**  
**Notes to the General-Purpose Financial Statements**

**NOTE 11 - SEGMENT INFORMATION** The Housing Authority maintains five enterprise funds. Key financial information as of and for the year ended June 30, 2000, for these funds are as follows:

	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Business Activities
Operating revenues	\$ 250,365	\$ -	\$ 1,617	\$ 350	\$ 19,630
Operating expenses excluding depreciation	484,428	13,979	218,862	236,733	17,571
Depreciation	335,302	-	1,958	-	-
Operating income	( 569,365)	-	(219,203)	(236,383)	2,059
Non-operating revenues (expenses)	286,796	(13,979)	345,916	133,691	767
Net income (loss)	( 282,569)	-	126,713	(102,692)	2,826
Capital contributions	-	121,835	-	-	-
Fixed asset additions	45,813	121,835	-	-	-
Net working capital (liability)	320,421	-	142,101	-	31,566
Total assets	4,227,133	157,805	236,952	41,597	31,571
Total equity	4,134,115	121,835	139,899	-	31,566

**NOTE 12 - RISK MANAGEMENT** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

**NOTE 13 - INTERFUND TRANSACTIONS**

**Due from/to other funds:**

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Section 8 rental voucher	Section 8 rental certificate	<u>\$41,937</u>

**Interfund operating transfers:**

	<u>In</u>	<u>Out</u>
Low rent public housing	\$ 46,980	
Public housing comprehensive improvement assistance programs		\$ 46,980
Section 8 rental voucher	116,531	
Section 8 rental certificates		116,531
Total	<u>\$163,511</u>	<u>\$163,511</u>

HOUSING AUTHORITY OF THE CITY OF MINDEN  
FINANCIAL DATA SCHEDULE  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

LA037 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing_Comp rehensive Assistance Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Business Activities	Fiduciary	Total
111	Cash - Unrestricted	\$83,799	\$0	\$164,387	\$0	\$31,571	\$8,588	\$288,345
114	Cash - Tenant Security Deposits	\$21,600	\$0	\$0	\$0	\$0	\$0	\$21,600
100	Total Cash	\$105,399	\$0	\$164,387	\$0	\$31,571	\$8,588	\$309,945
121	Accounts Receivable - PHA Projects	\$0	\$35,970	\$0	\$0	\$0	\$0	\$35,970
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$41,597	\$0	\$0	\$41,597
125	Accounts Receivable - Miscellaneous	\$39	\$0	\$0	\$0	\$0	\$0	\$39
126	Accounts Receivable - Tenants - Dwelling Rents	\$2,560	\$0	\$0	\$0	\$0	\$0	\$2,560
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$4,118	\$0	\$453	\$0	\$0	\$0	\$4,571
120	Total Receivables, net of allowances for doubtful accounts	\$6,717	\$35,970	\$453	\$41,597	\$0	\$0	\$84,737
131	Investments - Unrestricted	\$259,747	\$0	\$29,484	\$0	\$0	\$0	\$289,231
142	Prepaid Expenses and Other Assets	\$29,849	\$0	\$0	\$0	\$0	\$0	\$29,849
143	Inventories	\$5,425	\$0	\$0	\$0	\$0	\$0	\$5,425
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$0	\$41,937	\$0	\$0	\$0	\$41,937
150	Total Current Assets	\$407,137	\$35,970	\$236,261	\$41,597	\$31,571	\$8,588	\$761,124
161	Land	\$504,074	\$0	\$0	\$0	\$0	\$0	\$504,074
162	Buildings	\$8,757,827	\$0	\$0	\$0	\$0	\$0	\$8,757,827
163	Furniture, Equipment & Machinery - Dwellings	\$308,673	\$0	\$0	\$0	\$0	\$0	\$308,673
164	Furniture, Equipment & Machinery - Administration	\$272,345	\$0	\$18,960	\$0	\$0	\$0	\$291,305
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	(\$6,024,799)	\$0	(\$18,269)	\$0	\$0	\$0	(\$6,043,068)
167	Construction In Progress	\$0	\$121,835	\$0	\$0	\$0	\$0	\$121,835
160	Total Fixed Assets, Net of Accumulated Depreciation	\$3,818,120	\$121,835	\$691	\$0	\$0	\$0	\$3,940,646
175	Undistributed Debits	\$1,876	\$0	\$0	\$0	\$0	\$0	\$1,876
180	Total Non-Current Assets	\$3,819,996	\$121,835	\$691	\$0	\$0	\$0	\$3,942,522
190	Total Assets	\$4,227,133	\$157,805	\$236,952	\$41,597	\$31,571	\$8,588	\$4,703,646

HOUSING AUTHORITY OF THE CITY OF MINDEN  
FINANCIAL DATA SCHEDULE  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

LA037 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing Comp rehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Business Activities	Fiduciary	Total
312	Accounts Payable <= 90 Days	\$5,622	\$35,970	\$0	\$0	\$5	\$0	\$41,597
321	Accrued Wage/Payroll Taxes Payable	\$2,375	\$0	\$162	\$0	\$0	\$0	\$2,537
322	Accrued Compensated Absences	\$21,655	\$0	\$2,642	\$0	\$0	\$0	\$24,297
331	Accounts Payable - HUD PHA Programs	\$27,557	\$0	\$47,943	\$0	\$0	\$0	\$75,500
341	Tenant Security Deposits	\$21,425	\$0	\$0	\$0	\$0	\$0	\$21,425
342	Deferred Revenues	\$0	\$0	\$43,413	\$0	\$0	\$0	\$43,413
346	Accrued Liabilities - Other	\$7,742	\$0	\$0	\$0	\$0	\$0	\$7,742
347	Interprogram Due To	\$340	\$0	\$0	\$41,597	\$0	\$0	\$41,937
310	Total Current Liabilities	\$86,716	\$35,970	\$94,160	\$41,597	\$5	\$0	\$258,448
353	Noncurrent Liabilities - Other	\$6,302	\$0	\$2,893	\$0	\$0	\$8,588	\$17,783
350	Total Noncurrent Liabilities	\$6,302	\$0	\$2,893	\$0	\$0	\$8,588	\$17,783
300	Total Liabilities	\$93,018	\$35,970	\$97,053	\$41,597	\$5	\$8,588	\$276,231
504	Net HUD PHA Contributions	\$3,772,307	\$121,835	\$691	\$0	\$0	\$0	\$3,894,833
508	Total Contributed Capital	\$3,772,307	\$121,835	\$691	\$0	\$0	\$0	\$3,894,833
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$361,808	\$0	\$139,208	\$0	\$31,566	\$0	\$532,582
513	Total Equity	\$4,134,115	\$121,835	\$139,899	\$0	\$31,566	\$0	\$4,427,415
600	Total Liabilities and Equity	\$4,227,133	\$157,805	\$236,952	\$41,597	\$31,571	\$8,588	\$4,703,646



HOUSING AUTHORITY OF THE CITY OF MINDEN  
FINANCIAL DATA SCHEDULE  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

LA037 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing_Comp rehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Business Activities	Fiduciary	Total
703	Net Tenant Rental Revenue	\$234,537	\$0	\$0	\$0	\$0	\$0	\$234,537
705	Total Tenant Revenue	\$234,537	\$0	\$0	\$0	\$0	\$0	\$234,537
706	HUD PHA Grants	\$226,576	\$60,959	\$227,648	\$247,262	\$0	\$0	\$762,445
711	Investment Income - Unrestricted	\$13,240	\$0	\$1,737	\$2,960	\$767	\$0	\$18,704
714	Fraud Recovery	\$0	\$0	\$776	\$0	\$0	\$0	\$776
715	Other Revenue	\$15,828	\$0	\$841	\$350	\$19,630	\$0	\$36,649
700	Total Revenue	\$490,181	\$60,959	\$231,002	\$250,572	\$20,397	\$0	\$1,053,111
911	Administrative Salaries	\$70,814	\$0	\$12,758	\$14,318	\$9,805	\$0	\$107,695
912	Auditing Fees	\$1,900	\$0	\$530	\$850	\$0	\$0	\$3,280
914	Compensated Absences	\$3,178	\$0	\$314	\$0	\$0	\$0	\$3,492
915	Employee Benefit Contributions - Administrative	\$19,047	\$0	\$3,367	\$3,105	\$0	\$0	\$25,519
916	Other Operating - Administrative	\$31,083	\$8,029	\$3,625	\$5,556	\$7,766	\$0	\$56,059
921	Tenant Services - Salaries	\$19,760	\$0	\$0	\$0	\$0	\$0	\$19,760
923	Employee Benefit Contributions - Tenant Services	\$5,314	\$0	\$0	\$0	\$0	\$0	\$5,314
924	Tenant Services - Other	\$454	\$0	\$0	\$0	\$0	\$0	\$454
931	Water	\$32,792	\$0	\$0	\$0	\$0	\$0	\$32,792
932	Electricity	\$8,255	\$0	\$0	\$0	\$0	\$0	\$8,255
933	Gas	\$1,720	\$0	\$0	\$0	\$0	\$0	\$1,720
941	Ordinary Maintenance and Operations - Labor	\$136,472	\$0	\$0	\$0	\$0	\$0	\$136,472
942	Ordinary Maintenance and Operations - Materials and Other	\$25,896	\$5,950	\$0	\$0	\$0	\$0	\$31,846
943	Ordinary Maintenance and Operations - Contract Costs	\$15,285	\$0	\$0	\$0	\$0	\$0	\$15,285
945	Employee Benefit Contributions - Ordinary Maintenance	\$36,725	\$0	\$0	\$0	\$0	\$0	\$36,725

HOUSING AUTHORITY OF THE CITY OF MINDEN  
FINANCIAL DATA SCHEDULE  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

LA037 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing Comp rehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Business Activities	Fiduciary	Total
961	Insurance Premiums	\$45,961	\$0	\$0	\$0	\$0	\$0	\$45,961
963	Payments in Lieu of Taxes	\$7,742	\$0	\$0	\$0	\$0	\$0	\$7,742
964	Bad Debt - Tenant Rents	\$19,417	\$0	\$0	\$0	\$0	\$0	\$19,417
968	Severance Expense	\$1,057	\$0	\$0	\$0	\$0	\$0	\$1,057
969	Total Operating Expenses	\$482,872	\$13,979	\$20,594	\$23,829	\$17,571	\$0	\$558,845
970	Excess Operating Revenue over Operating Expenses	\$7,309	\$46,980	\$210,408	\$226,743	\$2,826	\$0	\$494,266
971	Extraordinary Maintenance	\$1,556	\$0	\$0	\$0	\$0	\$0	\$1,556
973	Housing Assistance Payments	\$0	\$0	\$198,268	\$212,904	\$0	\$0	\$411,172
974	Depreciation Expense	\$335,302	\$0	\$1,958	\$0	\$0	\$0	\$337,260
900	Total Expenses	\$819,730	\$13,979	\$220,820	\$236,733	\$17,571	\$0	\$1,308,833
1001	Operating Transfers In	\$46,980	\$0	\$116,531	\$0	\$0	\$0	\$163,511
1002	Operating Transfers Out	\$0	(\$46,980)	\$0	(\$116,531)	\$0	\$0	(\$163,511)
1010	Total Other Financing Sources (Uses)	\$46,980	(\$46,980)	\$116,531	(\$116,531)	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$282,569)	\$0	\$126,713	(\$102,692)	\$2,826	\$0	(\$255,722)

HOUSING AUTHORITY OF THE CITY OF MINDEN  
FINANCIAL DATA SCHEDULE  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000

LA037 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public Housing_Comp rehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Business Activities	Fiduciary	Total
1101	Capital Outlays - Enterprise Fund	\$0	\$121,835	\$0	\$0	\$0	\$0	\$121,835
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$4,416,684	\$0	\$13,186	\$102,692	\$28,740	\$0	\$4,561,302
1112	Depreciation Add Back	\$335,302	\$0	\$1,958	\$0	\$0	\$0	\$337,260
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$241,559	\$511,175	\$0	\$0	\$752,734
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$169,693	\$0	\$0	\$0	\$169,693
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$30,325	\$242,345	\$0	\$0	\$272,670
1116	Total Annual Contributions Available	\$0	\$0	\$441,577	\$753,520	\$0	\$0	\$1,195,097
1120	Unit Months Available	2964	0	755	889	0	0	4608
1121	Number of Unit Months Leased	2920	0	749	861	0	0	4530



**Housing Authority of the City of Minden  
General**

**COMPENSATION PAID BOARD MEMBERS**

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

Larry Johnson, Chairman

Grover Lewis, Vice Chairman

Dr. Gary Daniel

Geneva Nelson

Angela Wills



# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street  
Monroe, LA 71201

Phone: (318) 388-4422  
Fax: (318) 388-4664

Toll-free: (888) 741-0205  
[www.allengreencpa.com](http://www.allengreencpa.com)

Tim Green, CPA  
Margie Williamson, CPA

Sylvia R. Fallin, CPA  
Sharon K. French, CPA  
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)  
1963 - 2000

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

Board of Commissioners  
Housing Authority of the City of Minden  
Minden, Louisiana

We have audited the financial statements of the Housing Authority of the City of Minden, Minden, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated September 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

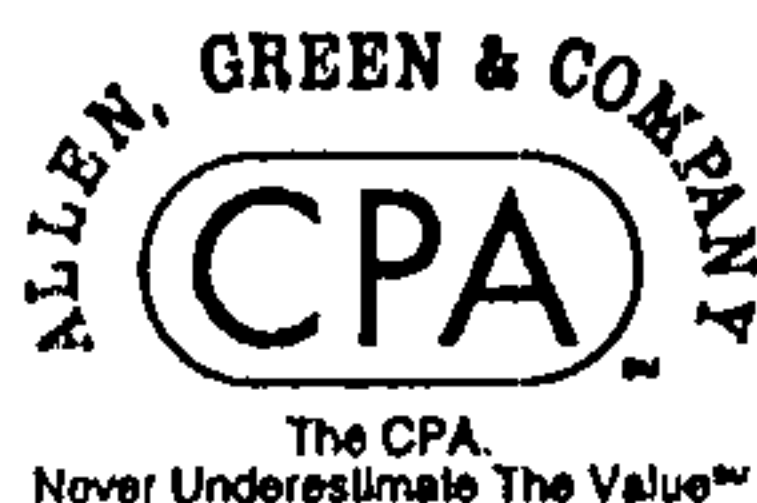
In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 14, 2000



# ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street  
Monroe, LA 71201

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

[www.allengreencpa.com](http://www.allengreencpa.com)

Tim Green, CPA  
Margie Williamson, CPA

Sylvia R. Fallin, CPA  
Sharon K. French, CPA  
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)  
1963 - 2000

## **Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133**

Board of Commissioners  
Housing Authority of the City of Minden  
Minden, Louisiana

### Compliance

We have audited the compliance of the Housing Authority of the City of Minden, Minden, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB Circular No. A-133) Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

### Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Allen, Green & Company, LLP*  
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
September 14, 2000

**Housing Authority of the City of Minden  
Schedule of Expenditures of Federal Awards**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing Operating Subsidy	14.850	FW2026	\$226,576
Public and Indian Housing Comprehensive Improvement Assistance Program	14.852	FW2026	182,794
Section 8 Rental Certificate Program	14.857	FW2026	247,262
Section 8 Rental Vouchers Program	14.855	FW2026	<u>227,648</u>
Total			<u>\$884,280</u>



**Housing Authority of the City of Minden**  
**Notes to the Schedule of Expenditures of Federal Awards**

**NOTE 1 - GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS** Federal awards revenues are reported in the Housing Authority's general-purpose financial statements as follows:

Low rent public housing	\$226,576
Section 8 rental voucher	227,648
Section 8 rental certificates	247,262
Public housing comprehensive improvement assistance program	<u>182,794</u>
Total	<u>\$884,280</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 - FEDERAL AWARDS** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of the Housing Authority bonds or for the Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards expended" threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the City of Minden  
Schedule of Findings and Questioned Costs**

**PART I - Summary of the Auditors' Results**

**Financial statement audit**

- I. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of federal awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:  
  
CFDA #14.850                      Public and Indian Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.



**Housing Authority of the City of Minden**  
**Schedule of Prior-Year Findings and Questioned Costs**

There were no audit findings were reported for the year ended June 30, 1999.